

STAT

The Washington Post
 The New York Times
 The Washington Times
 The Wall Street Journal
 The Christian Science Monitor
 New York Daily News
 USA Today
 The Chicago Tribune
 UPI
 Date 7 MAR 88

Casey widow before grand jury
 By LORI SANTOS

WASHINGTON (UPI) The wife of former CIA Director William Casey, whose death has confounded investigators probing the Iran-Contra scandal, appeared Monday before the federal grand jury of independent prosecutor Lawrence Walsh.

Sophia Casey, who had missed at least two earlier scheduled appearances, declined comment as she went before the secret panel. She previously has defended the late spy chief who became a center of controversy because of his role in the clandestine U.S. sale of arms to Iran and allegations he knew some of the profits were being diverted to Nicaraguan Contra rebels.

Mrs. Casey was undoubtedly called in an attempt by prosecutors to shed light on the role of her husband, who died May 6, 1987. She spent less than an hour before the federal panel, which has been probing the affair for more than a year.

A spokesman for Walsh, who spent the weekend in Washington with his staff working on the case that is expected to result in criminal charges in the coming weeks, declined comment on Mrs. Casey's appearance.

Casey, who died before Walsh's investigators had a chance to question him about the scandal, was said by Lt. Col. Oliver North to have known of and supported the diversion scheme, which he envisioned as a "stand-alone," "off-the-shelf" fund for covert activities, safe from congressional review.

The diversion scheme, or "Enterprise," set up by North and his operatives, had its own pilots, airfield, operatives, ship, secure communication devices and secret Swiss bank accounts all at a time that U.S. aid to the rebels was prohibited, and the CIA specifically banned from taking part.

The congressional committees probing the scandal concluded that "In light of the destruction of material evidence by (former national security adviser John) Poindexter and North and the death of Casey, all of the facts may never be known."

Casey also gave false testimony to Congress, just days before the diversion scheme was announced publicly in November 1986 and North fired about the U.S. involvement in early arms shipments to Iran.

Also according to North, Casey devised a "fall guy" plan in which North, and if necessary, Poindexter, would take the responsibility for the covert Contra support operation and the diversion.

Casey had testified before three congressional committees probing the Iran-Contra scandal and was scheduled for additional appearances when he suffered a pair of minor seizures Dec. 15 at his CIA office in Langley, Va.

Three days later he underwent brain cancer surgery and was hospitalized until mid-February and returned to the hospital for more treatment in mid-March.

On Feb. 2, Casey resigned as CIA chief and the job was offered to his deputy, Robert Gates. But Gates was unable to avoid questions raised by the scandal and on March 2, after contentious hearings before the Senate Intelligence Committee, Reagan withdrew Gates's name and nominated FBI Director William Webster to head the agency.